

SPECIAL MEETING AGENDA
JULY 9, 2009
8:30 AM

JOINT MEETING – BOARD OF EDUCATION AND THE
CUMBERLAND COUNTY BOARD OF COMMISSIONERS

BOARD OF EDUCATION
CENTRAL SERVICES BOARD ROOM

1. Call to Order and Invocation
2. Approval of the Agenda
3. Consideration of approval of a resolution from the Board of Education to submit an application to the NC Department of Public Instruction authorizing the issuance of \$15.9M of Qualified School Construction Bonds.
APPROVED

BACKGROUND:

The Board of Education received notification on June 25, 2009, from the Department of Public Instruction (DPI) that Cumberland County was allotted \$15.9M of Qualified School Construction Bonds (QSCB). These new zero interest bonds were established as part of the American Recovery Reinvestment Act of 2009. These instruments may be used for new construction, additions, rehabilitation, repair, or for land acquisition for such a facility.

The process includes an application that must be submitted to the DPI no later than July 31, 2009. The application process requires certification of eligibility of each proposed project, including a spending plan and project schedule. Attached you will find a resolution approved by the Board of Education on July 1, 2009, which includes the necessary information for the application process and a pledge of sales tax and education lottery proceeds for repayment of the debt.

Borrowing under this new program requires the same authorization as any other governmental borrowing, including approval by the Local Government Commission (LGC). Amy Cannon has had preliminary conversations with our Financial Advisor and the LGC concerning this process. Since these bonds are unique in that they are issued without interest, but with tax credits, a market for these instruments has yet to be developed. Potential QSCB holders would be banks, insurance companies, and corporations actively involved in the business of lending money. Per conversation with the LGC, none of these bonds has been placed in North Carolina. We will continue to work with our Financial

Advisor and the LGC to take advantage of this lending opportunity as soon as a QSCB market has been established and defined.

ACTION:

Approve the resolution authorizing submission of an application to the NC Department of Public Instruction.

**RESOLUTION CERTIFYING THE ELIGIBILITY
OF THE
QUALIFIED SCHOOL CONSTRUCTION BONDS (QSCB) PROJECT**

WHEREAS, the CUMBERLAND COUNTY BOARD OF EDUCATION (hereinafter "BOARD") has an obligation to make provision for the public school term by providing adequate school buildings properly equipped, and

WHEREAS, the BOARD has determined that students' needs are such that is necessary for the BOARD to undertake construction, rehabilitation or repairs; and,

WHEREAS, the Qualified School Construction Bonds (hereinafter "QSCB") program was established as a part of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) (ARRA) effective February 17, 2009; and,

WHEREAS, Bond proceeds must be used for construction (including new construction), rehabilitation, or repair of a public school; or for land acquisition for such a facility; and,

WHEREAS, in accordance with the QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM (QSCB) APPLICATION FOR AUTHORIZATION, the BOARD must certify eligibility of the proposed QSCB projects and that the QSCB proceeds will be used as follows:

1. Construction, rehabilitation, or repair of public school facilities for the education of children or for land acquisition for such a facility (not land for a future project).
2. Provision of equipment to be used in the portion of the public school facility to be constructed, rehabilitated, or repaired with QSCB funds (not personal computers or similar technology).

NOW, THEREFORE, BE IT RESOLVED by the Cumberland County Board of Education, as follows:

1. The BOARD hereby affirms its determination to utilize this financial resource for schools within its jurisdiction.
2. The BOARD hereby certifies that the QSCB proceeds will be used for the following projects:

<u>School</u>	<u>Project</u>	<u>Cost</u>
Cumberland Mills Elementary	Classroom Addition	\$1,700,000.00

McArthur Elementary	Classroom Addition	\$1,000,000.00
Cashwell Elementary	Classroom Addition	\$2,100,000.00
Cumberland Road Elementary	Classroom Addition	\$1,000,000.00
Owen Elementary	Classroom Addition	\$1,000,000.00
Westover Middle	Classroom Addition	\$1,400,000.00
Byrd Middle	Classroom Addition	\$1,400,000.00
Long Hill Elementary	Classroom Addition	\$1,000,000.00
Rockfish Elementary	Classroom Addition	\$1,900,000.00
Cape Fear High School	Cafeteria Addition	\$ 500,000.00
E. E. Smith High School	Renovations	\$1,500,000.00
Terry Sanford High School	Renovations	\$1,000,000.00
Manchester Elementary	Roof Replacement	\$ 400,000.00

3. The BOARD hereby certifies the eligibility of the above referenced projects per the North Carolina Guidelines for Qualified School Construction Bonds program; and,

4. The BOARD hereby pledges repayment of the debt with sales tax and education lottery proceeds.

This the 1st day of July, 2009.

THE CUMBERLAND COUNTY
BOARD OF EDUCATION

ATTEST:

By: _____
Greg West, Chairman

Franklin L. Till, Jr., Secretary

4. Consideration of approval of Sole Source Procurement for phone system for the new Health Department building. APPROVED

BACKGROUND:

The County Information Services Department has provided a detail justification for the sole source procurement request for the purchase and installation of the voice network portion of the phone system for the new health department building. Per G.S. 14-129 (e)(b) sole source exception is requested with standardization being the overriding consideration as recommended by the County Information Service Department and the County Purchasing Manager.

ACTION:

Sole source procurement for the purchase and installation of voice network equipment for the new Health Department building.

5. Consideration of approval of budget revision to record closing cost related to the General Obligation (GO) refunding. APPROVED

- (1) General Fund Debt Service

Revision in the amount of \$36,747,603 to budget the proceeds and expenditures related to the issuance of the 2009 General Obligation Refunding Bonds. The proceeds will be used to refund the Series 1998 School G.O. Bonds and the Series 1998 School G.O. Refunding Bonds. (B10-003) **Funding Source – G.O. Bond Proceeds**

ACTION:

Approve budget revision to record closing cost related to the General Obligation (GO) refunding.

6. Adjourn